

THE STATE OF TEXAS §
COUNTY OF HARRIS §

03-0510
55027

CONTRACT FOR LIBRARY COLLECTION AND RECOVERY SERVICES

1. PARTIES

A. Address

THIS CONTRACT FOR LIBRARY COLLECTION AND RECOVERY SERVICES

("Contract") is made on the Countersignature Date by and between the **CITY OF HOUSTON, TEXAS** ("City"), a municipal corporation and **UNIQUE MANAGEMENT SERVICES, INC.** ("Contractor"), an Indiana corporation doing business in the State of Texas.

The initial addresses of the parties, which one party may change by giving written notice of its changed address to the other party, are as follows:

<u>City</u>	<u>Contractor</u>
Director, Houston Public Library 500 McKinney Houston, TX 77002	Unique Management Services, Inc. 119 East Maple Street Jeffersonville, Indiana 47130

The Parties agree as follows:

B. Table of Contents

This Agreement consists of the following sections:

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EXHIBITS

- A. Scope of Services
- B. Payment of Fees
- C. Performance Requirements
- D. Equal Employment Opportunity
- E. Drug Policy Compliance Agreement
- F. Drug Policy Compliance Declaration
- G. Certification of no safety impact positions
- H. MWBE Subcontract Terms

C. Parts Incorporated

The above described exhibits are incorporated into this Agreement.

D. Controlling Parts

If a conflict among the sections and exhibits arises, the sections control over the exhibits.

E. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.

UNIQUE MANAGEMENT SERVICES, INC.

CITY OF HOUSTON, TEXAS

Signed by:

By: Nicole Y. Barnett
Name: Nicole Y. Barnett
Title: C.O.O.

By: Lee P. Brown
Mayor [Signature]

ATTEST/SEAL (if a corporation)
WITNESS (if not a corporation)

ATTEST/SEAL:

By: _____
Name: _____
Title: _____

[Signature]
City Secretary

APPROVED:

[Signature]
City Purchasing Agent

[Signature]
Director, Houston Public Library

APPROVED AS TO FORM:

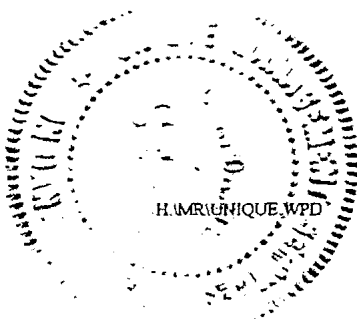
Mayra Kawana
Assistant City Attorney
L.D. File No.0410200022001

COUNTERSIGNED BY:

Judy Gray Johnson
[Signature]
City Controller

DATE COUNTERSIGNED:

6/18/03



April 24, 2003

II. DEFINITIONS

As used in this Agreement, the following terms have the meanings set out below:

"Agreement" means this contract between the Parties, including all exhibits and any written amendments authorized by City Council and Contractor.

"City" is defined in the preamble of this Agreement and includes its successors and assigns.

"Contractor" is defined in the preamble of this Agreement and includes its successors and assigns.

"Countersignature Date" means the date shown as the date countersigned on the signature page of this Agreement.

"Director" means the Director of the Houston Public Library, or the person he or she designates.

"Materials" mean any library materials in any format checked out from the Library's collection.

"Notice to Proceed" means a written communication from the Director to Contractor instructing Contractor to begin performance.

"Parties" mean all the entities set out in the Preamble who are bound by this Agreement.

"Waives" mean accounts sent for collection at the Customer's expense of \$10.00 per account, the Customer responds to the collection notice, and based on Customer response, Library determines that the fines and fees (but not the collection charge of \$10.00) were accrued incorrectly and waives the same.

III. DUTIES OF CONTRACTOR

A. Scope of Services

Services in General

In consideration of the payments specified in this Agreement, Contractor shall provide all labor, material, and supervision necessary to perform the services described in Exhibit "A."

B. Coordinate Performance

Contractor shall coordinate its performance with the Director and other persons that the Director designates. Contractor shall promptly inform the Director and other person(s) of all significant events relating to the performance of this Agreement.

C. Payment of Subcontractors

Contractor shall make timely payments to all persons and entities supplying labor, materials, or equipment for the performance of this Agreement. CONTRACTOR SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF CONTRACTOR'S FAILURE TO MAKE THESE PAYMENTS. Contractor shall submit disputes relating to payment of MWBE subcontractors to arbitration in the same manner as any other disputes under the MWBE subcontract.

D. RELEASE

CONTRACTOR AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO

PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

E. INDEMNIFICATION

CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- (1) CONTRACTOR'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, "CONTRACTOR") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;
- (2) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND

- (3) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. CONTRACTOR'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

F. SUBCONTRACTOR'S INDEMNITY

CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

G. Insurance

Contractor shall maintain in effect certain insurance coverage and shall furnish certificates of insurance, in duplicate form, before beginning its performance under this Agreement. All policies except Professional Liability and Workers' Compensation must name the City as an additional insured. The issuer of any policy (1) shall have a Certificate of Authority to transact insurance business in Texas or (2) shall be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide. Contractor shall maintain the following insurance

coverages in the following amounts:

- (1) Commercial General Liability insurance including Contractual Liability insurance:
 - \$500,000 per occurrence; \$1,000,000 aggregate
- (2) Workers' Compensation including Broad Form All States endorsement:
 - Statutory amount
- (3) Professional Liability
 - \$1,000,000 per occurrence; \$1,000,000 aggregate
- (4) Automobile Liability insurance
 - \$1,000,000 combined single limit

Defense costs are excluded from the face amount of the policy.

Aggregate Limits are per 12-month policy period
unless otherwise indicated.

All insurance policies must require on their face, or by endorsement, that the insurance carrier waives any rights of subrogation against the City, and that it shall give 30 days written notice to the City before they may be canceled, materially changed, or nonrenewed. Within the 30 day period, Contractor shall provide other suitable policies in lieu of those about to be canceled, materially changed, or nonrenewed so as to maintain in effect the required coverage. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may

- (1) immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or
- (2) purchase the required insurance with City funds and deduct the cost of the

premiums from amounts due to Contractor under this Agreement.

H. Warranties

Contractor's performance shall conform to the professional standards prevailing in Harris County, Texas with respect to the scope, quality, due diligence, and care of the services and products Contractor provides under this Agreement.

I. Confidentiality - Protection of City's Interest

Contractor, its agents, employees, contractors, and subcontractors shall hold all City information, data, and documents (collectively, "the Information") that they receive, or to which they have access, in strictest confidence. Contractor, its agents, employees, contractors, and subcontractors shall not disclose, disseminate, or use the Information unless the Director authorizes it in writing. Contractor shall obtain written agreements from its agents, employees, contractors, and subcontractors which bind them to the terms in this Section.

Contractor's communications with customers will direct customers to contact the Library regarding questions about their account. The Federal Fair Debt Collection Practices Act 15 U.S.C. § 1692 et seq., requires the Contractor to respond to questions from debtors. The Contractor will provide requested information only to the borrower (or youth borrower's parent or guardian) and only provided the borrower gives identifying information including name and library card number. Should the Contractor receive a request for release of Houston Public Library circulation data under the Texas Public Information Act, TEX. GOV'T CODE ANN. § 552 (Vernon 1994 & Supp. 2003), the request will be referred to the Director's Office at the Houston Public Library.

J. Licenses and Permits

Contractor shall obtain, maintain, and pay for all licenses, permits, and certificates including all professional licenses required by any statute, ordinance, rule, or regulation. Contractor shall immediately notify the Director of any suspension, revocation, or other detrimental action against his or her license.

K. Compliance with Laws

Contractor shall comply with all applicable state and federal laws and regulations and the City Charter and Code of Ordinances.

L. Compliance with Equal Opportunity Ordinance

Contractor shall comply with the City's Equal Employment Opportunity Ordinance as set out in Exhibit "D".

M. MWBE Compliance

It is the City's policy to ensure that Minority and Women Business Enterprises ("MWBEs") have the full opportunity to compete for and participate in City contracts. The objectives of Chapter 15, Article V of the City of Houston Code of Ordinances, relating to City-wide Percentage Goals for contracting with MWBEs, are incorporated into this Agreement.

Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 10% of the value of this Agreement to MWBEs. The City's policy does not require Contractor to in fact meet or exceed this goal, but it does require Contractor to objectively demonstrate that it has made good faith efforts to do so. To this end, Contractor shall maintain records showing

(1) subcontracts and supply agreements with Minority Business Enterprises,

- (2) subcontracts and supply agreements with Women's Business Enterprises, and
- (3) specific efforts to identify and award subcontracts and supply agreements to MWBEs. Contractor shall submit periodic reports of its efforts under this Section to the Affirmative Action Director in the form and at the times he or she prescribes.

Contractor shall require written subcontracts with all MWBE subcontractors and suppliers and shall submit all disputes with MWBE subcontractors to binding arbitration in Houston, Texas if directed to do so by the Affirmative Action Director. All agreements must contain the terms set out in Exhibit "H". If Contractor is an individual person (as distinguished from a corporation, partnership, or other legal entity), and the amount of the subcontract is \$50,000 or less, then the subcontract must also be signed by the attorneys of the respective parties

N. Drug Abuse Detection and Deterrence

(1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

(2) Before the City signs this Agreement, Contractor shall file with the Contract Compliance Officer for Drug Testing ("CCODT"):

- (a) a copy of its drug-free workplace policy,

- (b) the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "E", together with a written designation of all safety impact positions and,
- (c) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "G".

If Contractor files a written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every 6 months during the performance of this Agreement or on completion of this Agreement if performance is less than 6 months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "F". Contractor shall submit the Drug Policy Compliance Declaration to the CCODT within 30 days of the expiration of each 6-month period of performance and within 30 days of completion of this Agreement. The first 6-month period begins to run on the date the City issues its Notice to Proceed or if no Notice to Proceed is issued, on the first day Contractor begins work under this Agreement.

(3) Contractor also shall file updated designations of safety impact positions with the CCODT if additional safety impact positions are added to Contractor's employee work force.

(4) Contractor shall require that its subcontractors comply with the Executive Order, and Contractor shall secure and maintain the required documents for City inspection.

IV. DUTIES OF CITY

A. Payment Terms

Subject to all terms and conditions of this Agreement, the City agrees to pay for the services rendered by the Contractor pursuant to Exhibit "B". Any and all fees paid to Contractor under this

Contract shall be solely paid from the funds collected on accounts submitted for collection. Any and all fees paid to the Contractor for notice service under this Contract shall be solely paid from circulation-related revenue. The Contractor acknowledges and agrees that the City's liability for payment of such fees shall be limited to the revenues collected on accounts in collection under this Contract. No funds are or will be appropriated or allocated for the Contractor's performance under the terms of this Agreement. The City's duties to pay money to the Contractor for any purpose under this Agreement are limited in their entirety by the provisions of this Section IV, A.

B. Method of Payment

Contractor will be paid on the basis of invoices submitted by the Contractor and approved by the Director showing the cash or materials recovered and the fee for such as provided in Exhibit "B". The City will make payment to the Contractor within 30 days of the receipt by the Director of such invoices. If any items in any invoices submitted by the Contractor are disputed by the City for any reason, including lack of supporting documentation, the City shall temporarily delete the disputed item and pay the remaining amount of the invoice. The City will promptly notify the Contractor of the dispute and request clarification and/or remedial action. After any dispute shall have been settled, the Contractor shall include the disputed amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only, as determined by the Director.

C. Performance Requirements

Contractor shall be responsible for meeting the requirements set forth in Exhibit "A", Scope of Services. Contractor's compliance with the Performance Requirements detailed in Exhibit "C" shall be the measure of whether it has met the requirements set out in Exhibit "C".

D. Liquidated Damages

Collection/recovery of overdue fines and materials are the essence of this Agreement. If Contractor fails to meet the targets set in Exhibit "C", the City will suffer harm, although the actual damages from that harm are difficult to estimate. Therefore, if Contractor does not meet the targets specified in Exhibit "C", the Contractor shall refund the City the difference between the amount actually collected and the amount that should have been collected to reach the targets specified in Exhibit "C".

V. TERM AND TERMINATION

A. Contract Term

This Agreement is effective on the Countersignature Date and remains in effect for 3 years unless sooner terminated under this Agreement.

B. Renewals

Upon expiration of the Initial Term, this Agreement will be automatically renewed for 2 successive one-year terms on the same terms and conditions. If the Director or the City chooses not to renew this Agreement, the Director shall notify Contractor of non-renewal at least 30 days before the expiration of the then-current term.

C. Termination for Convenience by City

The Director may terminate this Agreement at any time by giving 30 days written notice to Contractor. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately

discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Contractor shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. The City shall then pay the fees to Contractor for services actually performed, but not already paid for, in the same manner as prescribed in Section IV, B unless the fees exceed the allocated funds remaining under this Agreement.

TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE CONTRACTOR'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONTRACTOR WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

D. Termination for Cause

If Contractor defaults under this Agreement, the Director may either terminate this Agreement or allow Contractor to cure the default as provided below. The City's right to terminate this Agreement for Contractor's default is cumulative of all rights and remedies which exist now or in the future. Default by Contractor occurs if:

- A. Contractor fails to perform any of its duties under this Agreement;
- B. Contractor becomes insolvent;
- C. all or a substantial part of Contractor's assets are assigned for the benefit of its

creditors; or

D. a receiver or trustee is appointed for Contractor.

If a default occurs, the Director may, but is not obligated to, deliver a written notice to Contractor describing the default and the termination date. The Director, at his or her sole option, may extend the termination date to a later date. If the Director allows Contractor to cure the default and Contractor does so to the Director's satisfaction before the termination date, then the termination is ineffective. If Contractor does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City.

To effect final termination, the Director must notify Contractor in writing. After receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement, and promptly cancel all orders or subcontracts charged to this Agreement.

VI. MISCELLANEOUS

A. Independent Contractor

Contractor is an independent contractor and shall perform the services provided for in this Agreement in that capacity. The City has no control or supervisory powers over the manner or method of Contractor's performance under this Agreement. All personnel Contractor uses or provides are its employees or subcontractors and not the City's employees, agents, or subcontractors for any purpose whatsoever. Contractor is solely responsible for the compensation of its personnel, including but not limited to: the withholding of income, social security, and other payroll taxes and all workers' compensation benefits coverage.

B. Force Majeure

1. Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Contractor. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement. Force Majeure means: fires, interruption of utility services, epidemics in the City, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts against the City or Contractor, riots, strikes, court orders, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical. Force Majeure does not entitle Contractor to extra Reimbursable Expenses or payment.

2. This relief is not applicable unless the affected party does the following:

- (a) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and
- (b) provides the other party with prompt written notice of the cause and its anticipated effect.

3. The Director will review claims that a Force Majeure that directly impacts the City or Contractor has occurred and render a written decision within 14 days. The decision of the Director is final.

C. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

D. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the Parties regarding this Agreement.

E. Written Amendment

Unless otherwise specified elsewhere in this Agreement, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by the City Council) and Contractor. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

F. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction.

Venue for any litigation relating to this Agreement is Harris County, Texas.

G. Notices

All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt

requested); and (3) addressed to the other party at the address set out in the preamble of this Agreement or at such other address as the receiving party designates by proper notice to the sending party.

H. Captions

Captions contained in this Agreement are for reference only, and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

I. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

An approval by the Director, or by any other employee or agent of the City, of any part of Contractor's performance does not waive compliance with this Agreement or establish a standard of performance other than that required by this Agreement and by law. The Director is not authorized to vary the terms of this Agreement.

J. Inspections and Audits

City representatives may perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least 7 years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

K. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Contractor shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Contractor's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

L. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

M. Survival

Contractor shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, the indemnity provisions.

N. Publicity

Contractor shall make no announcement or release of information concerning this Agreement unless the release has been submitted to and approved, in writing, by the Director.

O. Parties in Interest

This Agreement does not bestow any rights upon any third party, but binds and benefits the City and Contractor only.

P. Successors and Assigns

This Agreement binds and benefits the Parties and their legal successors and permitted assigns;

however, this provision does not alter the restrictions on assignment and disposal of assets set out in the following paragraph. This Agreement does not create any personal liability on the part of any officer or agent of the City.

Q. Business Structure and Assignments

Contractor shall not assign this Agreement at law or otherwise or dispose of all or substantially all of its assets without the Director's prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest as described in §9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Contractor shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee.

Contractor shall not delegate any portion of its performance under this Agreement without the Director's prior written consent.

R. Remedies Cumulative

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

EXHIBIT "A"

SCOPE OF SERVICES

Contractor shall provide collection and recovery services in accordance with criteria established by the Library and consistent with the Library's priority to maintain customer good will and its preference to recover materials borrowed and not returned.

1. Contractor shall accept automated data transfer and payment information directly from the Library's circulation database. Contractor shall work with the Library and its software vendor to provide, at no cost to the Library, a transfer system that encrypts data for security reasons, provides timely data transmission and arranges data in a format customized for Library's use.
2. Contractor shall provide Library with Acknowledgment Reports for all electronically submitted accounts.
3. Contractor shall accept data from the Library's Integrated Library System and shall work with the data in the form in which it is transmitted. Contractor shall work closely with the Library's technical staff to develop a process for the electronic transfer of files, submit an implementation schedule to put the new process in place within two months of contract approval and countersignature date, train Library staff that work with the files and provide support services as and when required.
4. Contractor shall work closely with the Library's technical staff to develop a process for the electronic transfer of files, submit an implementation schedule to put the new process in place, train Library staff that work with the files and provide support services as and when required.
5. Contractor shall identify customer accounts meeting the criteria established by the Library by

directly accessing the Library's circulation system.

6. Contractor shall submit all direct mail materials and telephone scripts for approval by the Library.
7. Contractor shall generate and distribute overdue and billing notices and statements of account, the format for which has been duly approved in advance by the Library, detailing separately the amount due for materials, fines/fees incurred and the total amount due from the customer.
8. Contractor shall develop a system whereby all collection efforts are suspended for customers who enter into a payment plan to clear the amount owed. The Contractor will resume collection effort if notified by the Library that the terms of the payment plan are not met with no additional fee.
9. Upon notification by the Library that a payment has been returned for insufficient funds, Contractor will resume collection effort on the account with no additional fee. The Library will reinstate the amount due on the account plus NSF charge.
10. Contractor shall conduct all collection efforts in a professional and respectful manner keeping in mind the Library's need to retain the goodwill of its customers.
11. Contractor shall submit collection accounts weekly and update account activity on a daily basis to ensure that data is accurate and current.
12. Contractor, in all direct mail addressed to customers, shall direct customers to remit all payments to the Library and to address all inquiries to the Circulation Department. Contractor shall retain accurate records of all collections, whether in cash or by checks, money orders, and credit cards from customers who have sent such remittances to Contractor and not to the

Library as directed. Further, Contractor shall transmit such payments in full to the Library within one business day.

13. Contractor shall identify all payments by customer's library account number when submitting reports or when transmitting customer payments to the library.
14. Contractor shall provide a detailed monthly management report on the value of books returned, money collected, charges waived and balance due from each customer.
15. Contractor shall also provide a summary of the total value of materials recovered, money received in payment, charges waived, balance due and costs incurred for such collection/recovery services for that month.
16. Contractor shall provide skip-tracing services to locate customers whose addresses are no longer valid. Contractor shall provide Library with a monthly update of skip-traced addresses listed by patron account number.
17. Contractor shall collect fees or recover materials from borrowers under the age of 18 by addressing direct mail and telephone calls to parents of such borrowers. Contractor shall identify minor borrowers by patron type and/or by birth dates contained in the records.
18. Contractor shall submit accounts to credit bureaus and maintain them in an active status for no less than six years (unless state law specifies a shorter term) or until contract expires.
19. Contractor shall provide Library with web access to accounts in collection with appropriate password protection.
20. Contractor shall meet periodically with Library staff to discuss services and coordinate collection/recovery efforts.

21. Contractor and Library shall jointly establish written procedures for handling services required to be provided by Contractor as detailed in the Scope of Services.
22. Contractor shall conduct all work performed under the contract according to applicable provisions of the Federal Fair Debt Collection Practices Act 15 U.S.C. § 1692 et seq. and Texas Debt Collection Practices Act, TEX. FIN. CODE ANN. § 392 et seq. (Vernon 1998 & Vernon Supp. 2003).
23. Contractor's proposal in response to City's RFP, TC-2-0823-019-13570 is incorporated into this Agreement and is attached to Exhibit "A" Scope of Services.

EXHIBIT "B"

PAYMENT OF FEES

Contractor shall be paid the following fees for collection services provided as detailed in Exhibit "A"

Scope of Services based on reports of activity on accounts in collection generated by the Collection

Agency Software in the Library's Integrated Library System (ILS):

(1) Year 1 of the contract:

Contingency fee of 22.5% of all
Material/Cash Recovered or fees and
fines waived* on accounts submitted
for collection

(2) Years 2 & 3 of the contract:

Contingency fee of 22.5% of all
Material/Cash Recovered or fees and
fines waived* on accounts submitted
for collection
Or
Flat fee of \$8.95 per account,
whichever is lower

3) Notice and Bill Service (including National
Change of Address database (NCOA) check)

\$0.57 per notice (may be increased in
accordance with any United States
postal price increase); \$0.52 per notice
if NCOA check not required.

* Contractor invoices contingency fee on waivers in the month following the Library's determination to waive the fee or fine.

EXHIBIT C
PERFORMANCE REQUIREMENTS

- (1) Contractor guarantees that the collection/recovery program will be revenue neutral, viz. that fees charged on accounts submitted for collection will not exceed revenue collected and revenue waived on accounts in collection. Contractor will adjust monthly invoices as necessary for the difference between invoice amount and revenue collected plus revenue waived on accounts in collection to keep the service budget neutral. If the Library notifies the Contractor that a check has been returned for insufficient funds, the Contractor will review the monthly invoice on which the payment was reported to ensure that it still meets the revenue neutral requirement. If it does not, the Contractor will issue a credit to achieve revenue neutral performance for that month, citing the reason for the credit and identifying the account affected.

- (2) Contractor guarantees a 4:1 return on investment on accounts submitted for collection based on the value of the materials recovered, revenue collected and revenue waived on accounts in collection, failing which, Contractor shall annually refund collection fees paid by City to the extent required to make up the Contractor's deficit in meeting the return on investment target. The Contractor will deduct any payments returned for insufficient funds before calculating return on investment and will report a summary of insufficient funds on an annual basis.

- (3) Performance guarantees apply if the following conditions are met by the Library:

Maintain fee schedule (at least \$0.10 to \$5.00 maximum per item)

Add collection fee of at least \$10.00

Use both initial and secondary placement on accounts with balance \$25.00 or more

Allow vendor to credit report accounts at \$25.00

Submit both adult and juvenile accounts for collection

Submit accounts electronically

Submit accounts for collection at 60 days

EXHIBIT "D"

EQUAL EMPLOYMENT OPPORTUNITY

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.

2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.

3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246 and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.

5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records,

and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.

6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.

7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

8. The contractor shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.

EXHIBIT "E"

DRUG POLICY COMPLIANCE AGREEMENT

I, Nicde Y. Barnett C.O.O. as an owner or officer of
(Name) (Print/Type) (Title)

Unique Management Services Inc. (Consultant)
(Name of Company)

have authority to bind Consultant with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Consultant is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a notice to proceed:

1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Consultant that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Consultants (Executive Order No. 1-31).
2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
3. Monitor and keep records of drug tests given and the results; and upon request from

EXHIBIT E

the City of Houston, provide confirmation of such testing and results.

4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Consultant that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

5/5/03
Date

Unique Management Services Inc
Consultant Name

Mike Y. Barnett
Signature

C.O.O.
Title

EXHIBIT "F"

DRUG POLICY COMPLIANCE DECLARATION

I, Nicole Y. Barnett C.D.O as an owner or officer of
(Name) (Print/Type) (Title)

Unique Management Services Inc. (Consultant)
(Name of Company)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from 1/5 to 5/5, 19 2003.

NB A written Drug Free Workplace Policy has been implemented and employees notified.
Initials The policy meets the criteria established by the Mayor's Amended Policy on Drug
Detection and Deterrence (Mayor's Policy).

NB Written drug testing procedures have been implemented in conformity with the
Mayor's
Initials Drug Detection and Deterrence Procedures for Consultants, Executive Order No. 1-
31. Employees have been notified of such procedures.

NB Collection/testing has been conducted in compliance with federal Health and Human

Initials Services (HHS) guidelines.

NB

Initials Appropriate safety impact positions have been designated for employee positions performing on the City of Houston contract. The number of employees in safety impact positions during this reporting period is 0.

NB

Initials

From 1/5/03 to 5/5/03 the following test has occurred

(Start date)

(End date)

	Random	Suspicion	Accident	Total
Number Employees Tested	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Number Employees Positive	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Percent Employees Positive	<u> </u>	<u> </u>	<u> </u>	<u>0</u>

NB
Initials

Any employee who tested positive was immediately removed from the City worksite consistent with the Mayor's Policy and Executive Order No. 1-31.

NB
Initials

I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in this declaration are within my personal knowledge and are true and correct.

5/5/03
(Date)

Nicole Y. Barnett
(Typed or Printed Name)

Nicole Y. Barnett
(Signature)

C.O.O.
(Title)

EXHIBIT "G"

CONTRACTOR'S CERTIFICATION

OF NO SAFETY IMPACT POSITIONS

IN PERFORMANCE OF A CITY CONTRACT

Nicole Y. Barnett C.O.O.
(Name) (Title)

as an owner or officer of Unique Management Services, Inc. (Consultant)
(Name of Company)

have authority to bind the Consultant with respect to its bid, and hereby certify that Consultant has no employee safety impact positions, as defined in §5.18 of Executive Order No. 1-31, that will be involved

in performing Library Collections and Recovery Sys
(Project)

Consultant agrees and covenants that it shall immediately notify the City of Houston Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

5/5/03
(Date)

Nicole Y. Barnett
(Typed or Printed Name)

Nicole Y. Barnett
(Signature)

C.O.O.
(Title)

MWBE SUBCONTRACT TERMS

Consultant shall insure that all subcontracts with MWBE subcontractors and suppliers are clearly labeled "THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT" and contain the following terms:

1. Unity National Bank (MWBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston's Affirmative Action Director ("the Director").

2. Unity National Bank (MWBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform (1) audits of the books and records of the subcontractor, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for inspection for at least 4 years after the end of its performance under this subcontract. Nothing in this provision shall change the time for bringing a cause of action.

3. Within five business days of execution of this subcontract, Consultant (prime Consultant) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.

4. Any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 -- "the Act"). Arbitration shall be conducted according to the following procedures:

a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.

b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with American Arbitration Association on file in the Office of the City's Affirmative Action Division.

c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.

d. If the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

e. All arbitrations shall be conducted in Houston, Texas unless the parties agree to another location in writing.